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C O N F I D E N T I A L SECTION 01 OF 02 RIYADH 008233

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USTR FOR SEAN DONNELLY

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TAGS: [ETRD](#) [ECON](#) [KIPR](#) [SA](#)
SUBJECT: USG DISCUSSION WITH MINISTER OF COMMERCE
HIGHLIGHTS IPR ISSUES

Classified By: U.S. Ambassador James Oberwetter; reasons: 1.4 (b), (d),
and (e)

¶1. (C) Summary: On 20 September 2006, Ambassador James Oberwetter, Assistant Secretary of Commerce for International Trade and Director General of the U.S. Commercial Service (DG), Israel Hernandez, and Commercial Counselor, Nasir Abbasi met with Saudi Minister of Commerce and Industry, Hashim bin Abdullah bin Hashim Yamani. The Minister discussed the changes brought to the Kingdom by World Trade Organization (WTO) accession, accepted an offer for assistance from the Department of Commerce, emphasized the Saudi Arabian Government's (SAG) commitment to protecting intellectual property rights (IPR), and highlighted the opportunities available to U.S. companies looking to invest in the Kingdom.

SAUDIS UNCOMFORTABLE WITH PRESSURE ON WTO ISSUES

¶2. (C) Minister Yamani expressed concerns over pressure for the Kingdom of Saudi Arabia (KSA) to further liberalize the country's trade regime. Specifically, he noted that KSA recently joined the WTO, and had taken great strides to open Saudi markets to international investment. The Minister found it difficult for KSA to be told it needed to go further on liberalizing trade when other nations who have been WTO members much longer have much more restrictive trade regulations.

¶3. (C) Minister Yamani believes WTO accession is the "heart of change" in KSA. He highlighted the SAG's passage of 43 laws to improve the international investment climate in KSA. The WTO process was helping speed the pace of change, including improving the IPR climate. The overall business environment is better for both internal and international investment as a result of the WTO process.

¶4. (C) It was brought to Minister Yamani's attention that some companies did not receive word of the changes to the requirements for certificates of conformity. Minister Yamani agreed to put announcements on the Ministry's website and to provide copies to the U.S. Embassy. Minister Yamani pointed out an information inquiry point on the website where companies can pose questions to Ministry officials. He noted that the entire certificate of conformity process was being simplified, codified, and posted on the web.

15. (C) In support of these efforts, Minister Yamani welcomed assistance from the Department of Commerce's (DoC) Commercial Law Development Program (CLDP). Minister Yamani would like to begin the CLDP process and supports DoC's technical assistance. Regarding CLDP assistance for the Islamic Development Bank (IDB), Minister Yamani believed the IDB would be open to assistance. However, he pointed out that the IDB is independent of his Ministry. Minister Yamani encouraged direct contact with the IDB to pursue CLDP assistance.

MINISTER HIGHLIGHTS IPR, PATENT PROTECTION PROGRESS

16. (C) The SAG passed new IPR laws and implemented new procedures that allow the SAG to work with U.S. Trade Representative (USTR) on additional reforms, including addressing patents by the close of 2006. Minister Yamani was pleased to note that the patents issue was being addressed ahead of schedule. Seven new laws were passed, translated, and agreed to by the U.S. In addition, a new law protecting trade secrets was passed and is undergoing translation, as was a law regarding competitiveness that established a competitiveness council. A new copyright law incorporating aggressive enforcement and severe penalties is in the works. Coupled with the effort to improve existing laws, Minister Yamani committed the Board of Grievances to being transparent in its decisions.

17. (C) The SAG is conducting a study of requests provided by the USTR and the Department of Justice (DoJ) to SAG officials in Washington because KSA wants to be a model for

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IPR protection. In the SAG's IPR efforts, KSA is farther ahead of many nations that joined the WTO prior to KSA. Minister Yamani emphasized the SAG's hard work on IPR issues including legal structure, penalties, and enforcement to make KSA a better place to do business.

THE KINGDOM IS OPEN FOR BUSINESS

18. (C) Minister Yamani emphasized KSA's commitment to several large scale projects for which he believes U.S. firms should compete. To interest U.S. companies in investing in KSA, the SAG will conduct road show presentations in Chicago, New York, Georgia, and Houston.

19. (C) Minister Yamani recapped the business opportunities available, emphasizing upgrades to basic infrastructure and large projects in the petroleum, power generation, and petrochemical sectors. The SAG believes in free trade and a market economy, to include increased openness in business, government and broader Saudi society. Minister Yamani requests that the U.S. Government continue to support business in KSA, noting that U.S. companies have "the number one slot," and as result, are uniquely positioned to take advantage of the opportunities available.

OBERWETTER